

AMENDED IN ASSEMBLY APRIL 16, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1525**

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**Introduced by Assembly Member Cook  
(Coauthor: Assembly Member Portantino)**

February 23, 2007

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An act relating to private postsecondary education, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1525, as amended, Cook. Private postsecondary education.

(1) The Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. Existing law requires the bureau, among other things, to review and investigate all institutions, programs, and courses of instruction approved under the act.

The act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes. A provision of the act provides for it to become inoperative on July 1, 2007, and provides for its repeal on January 1, 2008.

The bill would express the intent of the Legislature to provide for the protection of the interests of students who, and institutions which, have pending matters, or any other pending business, before the bureau as of June 30, 2007.

The bill would require that each matter, as defined, pending before the bureau as of the close of business on June 30, 2007, be deemed to remain pending before the bureau or a successor agency as of January 1, 2008, irrespective of any applicable deadlines. With respect to any deadline applicable to a pending matter, the bill would require that no time be deemed to have elapsed between July 1, 2007, and December 31, 2007. The bill would require that any institution, program, or course of study that is approved by the bureau as of the close of business on June 30, 2007, be deemed to be approved as of January 1, 2008, irrespective of any applicable conditions, deadlines, or additional requirements. The bill would also require that, with respect to any deadline applicable to the approval or conditional approval of an institution, program, or course of study, no time shall be deemed to have elapsed between July 1, 2007, and December 31, 2007. *The bill would authorize the Director of Consumer Affairs to enter into voluntary contracts with institutions for compliance with statutes, rules, and regulations applicable to these institutions as of June 30, 2007.*

*The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund, thereby making an appropriation.*

*These provisions would be repealed on January 1, 2008.*

(2) *The bill would authorize the approval of private postsecondary institutions for specified purposes until July 1, 2008.*

(3) *The bill would become operative only if SB 823 is chaptered before July 1, 2007.*

(2)

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: ~~no~~ yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) It is the intent of the Legislature to provide,
- 2 through the enactment of subdivision (b), for the protection of the

1 interests of students and institutions having any matter pending  
2 before the Bureau for Private Postsecondary and Vocational  
3 Education as of June 30, 2007. *The Legislature further encourages*  
4 *the Department of Consumer Affairs to provide information to*  
5 *students and institutions during this time period to ensure their*  
6 *understanding of their rights and responsibilities effective January*  
7 *1, 2008, and that student complaints received during this time*  
8 *period continue to be duly recorded and, to the extent practicable,*  
9 *investigated, so that no Californian is harmed by the delay in the*  
10 *provision of full services.*

11 (b) Notwithstanding any other provision of law:

12 (1) Each matter pending before the Bureau for Private  
13 Postsecondary and Vocational Education as of the close of business  
14 on June 30, 2007, shall be deemed to remain pending before the  
15 bureau or a successor agency as of January 1, 2008, irrespective  
16 of any applicable deadlines. With respect to any deadline applicable  
17 to a pending matter, no time shall be deemed to have elapsed  
18 between July 1, 2007, and December 31, 2007. For the purposes  
19 of this paragraph, “matter” includes, but is not necessarily limited  
20 to, an appeal, a complaint, an evaluation, a hearing, *a Student*  
21 *Tuition Recovery Fund claim*, or an investigation.

22 (2) Any institution, program, or course of study that is approved  
23 by the bureau as of the close of business on June 30, 2007, shall  
24 be deemed to be approved as of January 1, 2008, irrespective of  
25 any applicable conditions, deadlines, or additional requirements.  
26 With respect to any deadline applicable to the approval, renewal  
27 of approval, or conditional approval of an institution, program, or  
28 course of study, no time shall be deemed to have elapsed between  
29 July 1, 2007, and December 31, 2007.

30 (3) *From July 1, 2007, to December 31, 2007, inclusive, the*  
31 *Director of Consumer Affairs may enter into voluntary contracts*  
32 *with institutions to comply with statutes, rules, and regulations*  
33 *pertaining to private postsecondary institutions in effect as of the*  
34 *close of business on June 30, 2007, that had a valid approval to*  
35 *operate as of the close of business on June 30, 2007, for the*  
36 *purpose of ensuring continued student protection after Chapter 7*  
37 *(commencing with Section 94700) of Part 59 of Division 10 of*  
38 *Title 3 of the Education Code, as it exists on June 30, 2007,*  
39 *becomes inoperative.*

1     (4) *From July 1, 2007, to December 31, 2007, inclusive, the*  
2     *Director of Consumer Affairs shall administer the Student Tuition*  
3     *Recovery Fund.*

4     SEC. 2. (a) *The Private Postsecondary and Vocational*  
5     *Education Administration Fund is continued in existence under*  
6     *the administration of the Department of Consumer Affairs.*

7     (b) (1) *The Student Tuition Recovery Fund is continued in*  
8     *existence under the administration of the Department of Consumer*  
9     *Affairs.*

10    (2) *The moneys in the Student Tuition Recovery Fund are*  
11    *continuously appropriated, without regard to fiscal years, to the*  
12    *Director of Consumer Affairs for the purpose of paying claims*  
13    *that had been filed with, and approved by, the former Bureau for*  
14    *Private Postsecondary and Vocational Education prior to July 1,*  
15    *2007, under the provisions of Chapter 7 (commencing with Section*  
16    *94700) of Part 59 of Division 10 of Title 3 of the Education Code,*  
17    *as it exists on June 30, 2007.*

18    SEC. 3. (a) *It is the intent of the Legislature to provide*  
19    *institutions with a legal method by which they may comply with*  
20    *applicable federal statutes, rules, and regulations from July 1,*  
21    *2007, to December 31, 2007, inclusive, and to affirm for the United*  
22    *States Department of Education that voluntary contracts, as*  
23    *referenced in paragraph (3) of subdivision (b) of Section 1 of this*  
24    *act, demonstrate the legal authorization to operate of schools*  
25    *under California law from July 1, 2007, to December 31, 2007,*  
26    *inclusive.*

27    (b) *From close of business on June 30, 2007, inclusive, until*  
28    *close of business on December 31, 2007, wherever in law there is*  
29    *a reference to an institution "approved by the Bureau for Private*  
30    *Postsecondary and Vocational Education," this shall mean any*  
31    *school that has entered into, and is complying with, a voluntary*  
32    *contract under paragraph (3) of subdivision (b) of Section 1 of*  
33    *this act.*

34    (c) *From the July 1, 2007, to December 31, 2007, inclusive, any*  
35    *institution approved by the Bureau of Private Postsecondary and*  
36    *Vocational Education as of the close of business on June 30, 2007,*  
37    *shall disclose to all prospective and current students, to the United*  
38    *States Department of Education, and to any other interested parties*  
39    *whether it is legally authorized by the State of California. Only*  
40    *those schools that have entered into a voluntary contract under*

1 paragraph (3) of subdivision (b) of Section 1 of this act may claim  
2 to be authorized by the State of California.

3 SEC. 4. (a) For purposes of this section, "act" means the  
4 Private Postsecondary and Vocational Education Reform Act of  
5 1989 (Chapter 7 (commencing with Section 94700) of Part 59 of  
6 Division 10 of Title 3 of the Education Code), as it exists on June  
7 30, 2007.

8 (b) The rights and obligations established by the act on or before  
9 June 30, 2007, shall be determined by the law in effect on or before  
10 June 30, 2007, and any claim or cause of action in any manner  
11 based on the act that arose on or before June 30, 2007, whether  
12 or not reduced to a final judgment, shall be preserved, and shall  
13 remain subject to the provisions of the act in effect on or before  
14 June 30, 2007, notwithstanding the inoperative status or repeal  
15 of the act on or after July 1, 2007.

16 SEC. 5. It is the intent of the Legislature that the Department  
17 of Consumer Affairs shall continue to provide all applicable rights  
18 and protections of civil service to its employees.

19 SEC. 6. The provisions of this act are severable. If any  
20 provision of this act or its application is held invalid, that invalidity  
21 shall not affect other provisions or applications that can be given  
22 effect without the invalid provision or application.

23 SEC. 7. Private postsecondary educational institutions that  
24 have approval to operate from the Bureau for Private  
25 Postsecondary and Vocational Education as of June 30, 2007,  
26 shall retain those approvals for purposes of interpreting other  
27 provisions of applicable law that refer or relate to the issuance of  
28 a license or registration and meeting qualifications for licensing  
29 examinations. Those approvals shall be effective through July 1,  
30 2008, unless a later enacted statute modifies, extends, or deletes  
31 that date.

32 SEC. 8. This act shall only become operative if Senate Bill No.  
33 823 is chaptered on or before July 1, 2007.

34 SEC. 9. Sections 1 to 6, inclusive, of this act shall be repealed  
35 on January 1, 2008.

36 ~~SEC. 2.~~

37 SEC. 10. This act is an urgency statute necessary for the  
38 immediate preservation of the public peace, health, or safety within  
39 the meaning of Article IV of the Constitution and shall go into  
40 immediate effect. The facts constituting the necessity are:

- 1 In order to provide for the protection of the interests of students
- 2 and institutions having matters pending before the Bureau for
- 3 Private Postsecondary and Vocational Education as of June 30,
- 4 2007, it is necessary that this act take effect immediately.

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